

***United States Court of Appeals  
for the Second Circuit***



**APPELLANT'S  
SUPPLEMENTAL  
APPENDIX**



# 76-7616

**United States Court of Appeals  
For the Second Circuit**

In Re FRANKLIN NATIONAL BANK SECURITIES LITIGATION

ROBERT GOLD, on behalf of himself and on behalf  
of all others similarly situated,  
*Plaintiff-Appellant,*

and

LOUIS PERGAMENT,  
*Intervenor-Plaintiff-Appellant,*  
against

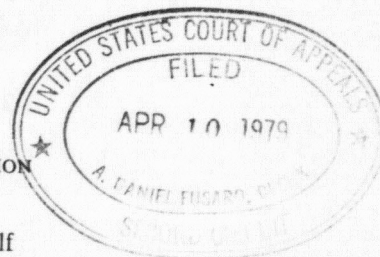
ERNST & ERNST, HAROLD V. GLEASON, PAUL LUFTIG, PETER R.  
SHADDICK, MICHELE SINDONA, CARLO BORDONI, HOWARD D.  
CROSSE, ANDREW N. GAROFALO, DONALD EMRICH, and ROBERT  
C. PANEPINTO,  
*Defendants-Appellees,*

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NEW YORK

**SUPPLEMENTAL APPENDIX OF  
PLAINTIFFS-APPELLANTS**

JESSEL ROTHMAN, ESQ.  
*Attorney for Intervenor-Plaintiff-  
Appellant Louis Pergament*  
170 Old Country Road  
Mineola, New York 11501  
(516) 294-9449

MILBERG WEISS BERSHAD  
& SPECTHRIE  
*Liaison Attorneys for Class Action  
Plaintiffs and Attorneys for  
Plaintiff-Appellant Robert Gold*  
One Pennsylvania Plaza  
New York, New York 10001  
(212) 594-5300



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P  
K

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AFFIDAVIT OF JEROME M. CONGRESS SWORN  
TO JANUARY 12, 1979, TOGETHER WITH  
EXHIBITS A, B, C, D, AND E ANNEXED THERETO



UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

In Re FRANKLIN NATIONAL BANK  
SECURITIES LITIGATION

M.D.L. #196  
(JBW)

ROBERT GOLD, on behalf of himself and  
on behalf of all others similarly  
situated.

Plaintiff,

and LOUIS PERGAMENT,

Intervenor-Plaintiff,

-against-

ERNST & ERNST, et al.,

Defendants.

75-C-684  
(JBW)

AFFIDAVIT

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

JEROME M. CONGRESS, being duly sworn, says:

1. I am a member of the firm of Milberg Weiss Bershad & Specthrie, liaison counsel for class action plaintiffs and attorneys for plaintiff Robert Gold in the above captioned litigation. I make this affidavit to inform the Court of the steps which class plaintiffs have taken to

obtain the names and addresses of beneficial owners of Franklin New York Corporation ("Franklin") securities purchased in nominee name during the class period, and of the results of such efforts.

Steps Taken To Identify  
Beneficial Owners

2. In In re Franklin National Bank Securities Litigation, 574 F.2d 662 (2d Cir.1978), the Court of Appeals suggested a specific procedure for identifying those class members who were beneficial owners of securities purchased in nominee name. Letters requesting the names and addresses of the beneficial owners were to be mailed to potential nominees. A follow up letter was also suggested, at least with respect to nominees which were not brokerage houses. Id., at 674-75. The Second Circuit further suggested the use of subpoenas to obtain the names and addresses of beneficial owners from any brokerage houses which did not furnish such information in response to a letter request. Id. at 675.

3. Pursuant to the Second Circuit's ruling, class action plaintiffs communicated with counsel for defendants in April 1978 and sought to agree on a form of letter to possible nominees. On April 28, 1978 class plaintiffs



appeared before Judge Platt and discussed further steps to be taken with respect to identifying members of the class. After obtaining Judge Platt's approval, counsel for class plaintiffs mailed copies of the letter annexed hereto as Exhibit A to the 664 persons and companies on the nominee list on and shortly after May 16, 1978.

4. On June 30, 1978, counsel for plaintiffs advised Judge Platt by letter that responses had not yet been received from numerous nominees, and requested that Judge Platt approve a "second wave" mailing. See Exhibit B attached hereto. As of July 12, 1978, only 200 replies had been received in response to the May 16 letter.

5. The parties discussed plaintiffs' request with Judge Platt at a conference held on July 27, 1978,

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\* A copy of the nominee list accompanies this affidavit as a separate volume entitled Exhibit I. The nominee list was provided to counsel for plaintiffs by Davis Polk & Wardwell, attorneys for defendant Ernst & Ernst in this action. It is my understanding that Davis Polk & Wardwell undertook the task of preparing that list by agreement with counsel for the other defendants. It is also my understanding that in preparing the list Davis Polk & Wardwell reviewed Franklin transfer records for the class period, and included as possible nominees all registered owners which appeared to be companies other than individuals.

and on August 4, 1978, plaintiffs submitted a revised proposal to Judge Platt for a second wave mailing. See Exhibit C attached hereto. After receiving Judge Platt's approval, on or about August 21 and 22, 1978, plaintiffs mailed copies of the material attached hereto as Exhibit D to the 469 companies on the nominee list from which responses had not yet been received.

6. Envelopes mailed to 74 persons on the nominee list were returned to counsel for plaintiffs unopened, indicating that the nominee list did not contain current addresses for such potential nominees.

7. In an effort to deal with such non-current addresses, counsel for plaintiffs retained the firm of Shareholder Communications, Inc., a firm which specializes in locating class members in securities class actions. Shareholder Communications, Inc. provided counsel for plaintiffs with new addresses for 16 companies on the nominee list, and plaintiffs remailed the letters involved to such new addresses.

8. In addition, counsel for plaintiffs had one of their paralegal employees seek to obtain current addresses through the telephone informational services and, if the telephone company would not provide the address, by tele-



phoning the nominee company itself. When new addresses were obtained in this manner, the letter involved was remailed to the new address.

9. Plaintiffs have not sought to serve subpoenas on any of the non-responding companies because, as plaintiffs have previously informed Judge Platt, plaintiffs believe that they have no power to serve such subpoenas under Oppenheimer Fund, Inc. v. Sanders, \_\_\_ U.S. \_\_\_ 98 S.Ct. 2380 (1978).

Results of the Above Described Efforts

10. Responses from 326 of the names on the nominee list and from 52 additional persons and companies not specifically named on the list have now been received, as against 664 names on the list. Attempted mailings to 31 companies are known to be incomplete because the envelopes were returned unopened and plaintiffs have not yet been able to obtain new addresses.

11. Copies of the responses received to date accompany this affidavit in separate bound folders identified as Exhibits II, II(A), III, and IV. Exhibits II and II(A) contain responses which indicate that the securities involved were or may have been purchased by persons named in the response during the class period.



Exhibit III contains responses which indicate that the persons responding did not purchase the relevant securities at all, or did not purchase them during the class period. Exhibit IV contains copies of responses which state that the information sought will be provided only if plaintiffs agree to reimburse the company responding for the cost of searching their records to identify any persons who held Franklin New York Corporation securities during the class period. Exhibits II-II(A), III, and IV contain responses from 163, 189, and 13 companies respectively.\*

12. Plaintiffs believe that responses have been received to date from 73 out of 172 broker names on

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\* The total number of communications contained in Exhibits II, II(A), III, and IV exceeds the number of companies responding because more than one response was received from certain companies. In certain instances the same company is represented by responses contained in both Exhibits II-II(A) and III, or in Exhibits II-II(A) and IV. It should also be noted that the number of companies responding is lower than the number of names on the nominee list which have responded, because certain companies utilize more than one nominee name.



the nominee list,\* and seven additional responses were received from companies not specifically named on the list which plaintiffs believe to be brokers. 298 additional responses have been received in a context where the nominee list contains 492 non-broker names. The letter "R" has been written next to the name of each company on the nominee list (Exhibit I) from which a response is known to have been received.

13. To date plaintiffs have received 13 requests for reimbursement of identification costs, all of which requests are from companies which the parties have identified as brokers. See Exhibit III hereto.

14. A review of the responses set forth in Exhibit III shows that there is considerable variation among brokers in the amount of reimbursement requested and in the formula utilized for computing identification charges.

(a) Estimated Charge for Search  
Utilizing Computers

Payne Webber Jackson & Curtis, Inc.	\$400.00
E.F. Hutton & Company, Inc.	83.00
Salomon Brothers	70.00

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\* The letters "BR" have been written next to each company on the nominee list (Exhibit I) which counsel for plaintiffs and defendants have identified as an apparent brokerage house, and the letters "BK" have been written next to each company identified as an apparent bank.



(b) Estimated Charge for  
Manual Search

Oppenheimer & Co., Inc.	\$150.00 (original estimate was \$200)
Drexel Burnham Lambert Inc.	\$200.00 (need to retrieve records from storage)
duPont Glore Forgan, Inc.	\$747.00 (stated to be the actual cost of search to locate and review records of defunct company; original estimate was \$475)

(c) Per Hour Charges for Manual Search  
by Companies Which Stated That They  
Were Unable to Estimate The Total  
Cost of the Search

Stifel Nicolaus & Co.	\$25 per hour
Wm. C. Roney & Co.	\$15 per hour (plus \$100 deposit)
Bruns Nordeman Rea & Co.	\$10 per hour
Fahnestock & Co.	\$8 per hour
Becker Securities	\$7.50 per hour (plus additional cost for retrieving records maintained in special storage center)
Shearson Hayden Stone Inc.	\$5 per hour

(d) Other

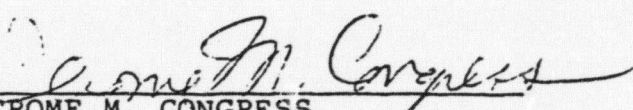
Kidder Peabody & Co. stated that it could not estimate the cost of the search and desired to forward a statement of expenses after the mailing of the notice.



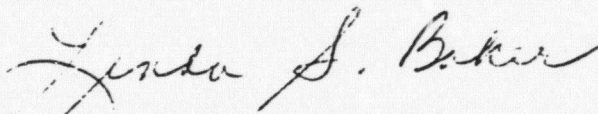
15. Finally, certain responses indicate that the nominee has a policy of keeping the names of its customers confidential, and for that reason seeks to retransmit the notice itself rather than sending a list of the names of beneficial owners to plaintiff. Such responses were received, for example, from Merrill Lynch Pierce Fenner & Smith Inc., the Irving Trust Company, and Manufacturers Hanover Trust Company. See also the responses from the Bank of New York, First Pennsylvania Trust Company, Chase Manhattan Bank, and Lehman Brothers Kuhn Loeb. Copies of such responses are attached hereto as Exhibit E. In all, at least 29 nominees have stated that they would prefer to mail the notice to the beneficial owners themselves. See Exhibits II-II(A), responses 7, 12, 13, 17, 26, 29, 32, 33, 50, 51, 56, 62, 72, 76, 81, 85, 90, 101, 105, 141, 151, 152, 155, 157, 158, 167, 171, 180.

16. Because of the voluminous nature of Exhibits I, II, II(A), III, and IV such Exhibits are being filed with the Court but are not presently being served on counsel for the other parties to this litigation except for Barbara Lee, Esq. of Poletti Freidin Prashker Feldman & Gartner, who has

generally been carrying the laboring oar for defendants on questions concerning the class notice. Plaintiffs will make copies of such Exhibits available to any other parties who wish to review those Exhibits.

  
JEROME M. CONGRESS

Sworn to before me this  
12<sup>th</sup> day of January, 1979.



LINDA S. BAKER  
Notary Public, State of New York  
No. 31-4015428  
Qualified in New York County  
Commission Expires March 30, 1979



May 16, 1978

TO: Any Person or Institution Which Held Record  
Title to Securities of Franklin New York Corporation  
(including common stock, preferred stock, or capital  
notes) Purchased at any Date During the Period From  
July 16, 1973 to and including May 16, 1974, Which  
Securities were Beneficially Owned by Others:

Please be advised that an action entitled "Gold, et al., v. Ernst & Ernst, et al. Docket No. 75-C-684 ("the Gold action") is currently pending in the United States District Court for the Eastern District of New York. Plaintiffs in the Gold action have brought suit on behalf of purchasers of securities of Franklin New York Corporation ("Franklin") to recover damages sustained by such purchasers as a result of alleged violations of the federal securities laws and the common law. The claims arise out of alleged misrepresentations and failures by defendants to disclose material facts with respect to the results of operations and economic condition of Franklin's subsidiary, the Franklin National Bank.

The Court has certified the Gold action as a class action on behalf of persons who purchased Franklin securities during the period from July 16, 1973 to and including May 16, 1974. The Court has further directed that notice of pendency of the Gold action be mailed to all class members who can be identified by reasonable effort. This letter does not constitute that notice, but is being sent to you in an effort to obtain the information necessary to provide the required notice.

You have been identified by the parties to the Gold action as a purchaser of record of Franklin securities during the relevant period, and it is believed that you may have purchased such securities as a nominee. In order that the notice of pendency of class action may be mailed to the beneficial owners of the securities, you are hereby requested to mail a list of the names and addresses of any beneficial owners on whose behalf you purchased such securities to:

Clerk  
United States District Court  
P.O. Box 1209  
New York, New York 10001

EXHIBIT A



If you did not purchase the Franklin securities as a nominee, please mail to the same address a statement that you purchased the Franklin securities for your own interest and not for the beneficial interest of another.

Should you anticipate that more than a week will elapse before you will mail us the list of beneficial owners, we would appreciate your writing to the above address to inform us that you have received this letter and are proceeding to prepare the list.

Plaintiffs have the responsibility of ascertaining the names and addresses of the beneficial owners and of mailing the notice to them. By identifying the beneficial owners, if any, of the securities held in your name, you will enable us to give direct notice of the pendency of the action to such owners. We hope you will cooperate in this effort.

Please advise us if you desire to give your own notice to the beneficial owners on whose behalf you purchased the securities. If you wish to provide the notice yourself, we will supply sufficient copies of the notice of pendency of class action to you for such purpose, together with a form of affidavit for you to complete and return to us listing the names and addresses of the beneficial owners to which you mailed the notice.

This letter is being sent in the hope that you will provide the information requested and thereby render it unnecessary to serve you with a subpoena. In this connection, we wish to bring to your attention the decision of the United States Court of Appeals for the Second Circuit in the Gold action dated April 3, 1978, CCH Federal Securities Law Reports 196,373. See also Blank v. Tally Industries, Inc., 54 F.R.D. 627 (S.D.N.Y. 1972).

Very truly yours,

*Milberg Weiss Bershad & Specthrie*  
MILBERG WEISS BERSHAD & SPECTHRIE  
Liaison Counsel for Class Action  
Plaintiffs and Attorneys for  
Plaintiff Robert Gold



## MILBERG WEISS BERSHAD &amp; SPECTHRIE

ONE PENNSYLVANIA PLAZA

NEW YORK, N. Y. 10001

(212) 594-5300

MELVYN I. WEISS  
 LAWRENCE MILBERG  
 DAVID J. BERSHAD  
 JARED SPECTHRIE  
 WILLIAM S. LERACH\*

JEROME M. CONGRESS  
 A. ARNOLD GERSHON  
 MURRAY S. RAPLAN  
 SAMUEL M. TURITSKY  
 SHARON LEVINE MIRSKY  
 SYLVIA L. BECKEY  
 KEITH F. PARK\*  
 FREDERIC J. MILBERG\*  
 \*ADMITTED IN CALIF. ONLY

CALIFORNIA OFFICE  
 1800 T-10 AVENUE  
 SAN DIEGO, CALIFORNIA 92101  
 (714) 23-1038

AARON M. FINE  
 ADMITTED IN PA. ONLY  
 COUNSEL

June 30, 1978

Honorable Thomas C. Platt  
 United States District Court  
 Eastern District of New York  
 225 Cadman Plaza East  
 Brooklyn, New York 11201

Re: Gold v. Ernst & Ernst (75-C-684)  
 In re Franklin National Bank  
Securities Litigation, M.D.L. #196

Dear Judge Platt:

Class plaintiffs mailed out their letters to nominees requesting the names and addresses of beneficial owners of Franklin securities approximately six weeks ago. Since a substantial number of nominees have not yet replied, we believe that it would be appropriate to send out a "second wave" mailing limited to such nominees. I am enclosing a copy of the notice which we propose to send, which notice would be attached to a copy of the original letter and would be accompanied by a form to be filled in and returned by the nominee, which form is also enclosed. Would you please inform us if this procedure is acceptable to you. If your Honor wishes to consider this matter by formal motion, we will of course make such motion.

Respectfully submitted,



Jerome M. Congress

pc

cc: All Counsel in  
 Gold v. Ernst & Ernst

EXHIBIT B

August 4, 1978

Honorable Thomas C. Platt  
United States District Court  
Eastern District of New York  
225 Cadman Plaza East  
Brooklyn, New York 11201

Re: Gold v. Ernst & Ernst (75-C-684)  
In re Franklin National Bank  
Securities Litigation, M.D.L. #196

Dear Judge Platt:

I am enclosing a copy of the following letter which class plaintiffs now propose to send to nominees. I have communicated with Barbara Lee of Poletti Freidin Prashker Feldman & Gartner, with respect to the enclosed letter, and it is my understanding that Ms. Lee has no objection to its contents. Pursuant to your suggestion, we have included in the letter a reference to the Supreme Court decision in Oppenheimer Fund, Inc. v. Sanders, CCH Fed. Sec. L.Rep. ¶96,470.

Would you please inform me as to whether we have your permission to mail out the enclosed letter.

Respectfully submitted,

Jerome M. Congress

pc  
Enc.

cc (with enclosure):

Barbara A. Lee, Esq.  
Daniel F. Kolb, Esq.  
Robert C. Myers, Esq.  
David Fleischer, Esq.  
John J. Kirby, Jr., Esq.  
Barton Blumberg, Esq.  
Steve Pesner, Esq.  
Gerard A. Imperato, Esq.

EXHIBIT C



August 18, 1978

TO: Persons or Institutions Which Held  
Record Title to Securities of Franklin  
New York Corporation (including common  
stock, preferred stock, or capital notes)  
Purchased at any Date During the Period  
from July 16, 1973 to and including May  
16, 1974, Which Securities were  
Beneficially Owned by Others:

SECOND NOTICE

We have not yet received a reply to the attached letter, a copy of which we mailed to you on or about May 16, 1978. It is urgent that you respond promptly to the attached letter so that we can include the names and addresses of beneficial owners of the securities involved in our list of persons who will receive copies of the notice of pendency of class action. Will you please send us the list of the names and addresses requested immediately, in order to facilitate our giving prompt notice to all the members of the class. In addition to the Court decisions mentioned in our May 16, 1978 letter, we also bring to your attention the recent decision in Oppenheimer Fund, Inc. v. Sanders, CCH Fed. Sec. L. Rep. ¶96,470 (United States Supreme Court, June 19, 1978).

We are also enclosing a form for you to fill out and mail back to us. This form will tell us whether or not we are correct in believing that you purchased securities of the Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974, and if so, whether you purchased for your own interest or as a nominee.

Very truly yours,

MILBERG WEISS BERSHAD & SPECTHRIE

By James C. [Signature]

August 18, 1978

TO: Persons or Institutions Which Held  
Record Title to Securities of Franklin  
New York Corporation (including common  
stock, preferred stock, or capital notes)  
Purchased at any Date During the Period  
from July 16, 1973 to and including May  
16, 1974, Which Securities were  
Beneficially Owned by Others:

SECOND NOTICE

We have not yet received a reply to the attached letter, a copy of which we mailed to you on or about May 16, 1978. It is urgent that you respond promptly to the attached letter so that we can include the names and addresses of beneficial owners of the securities involved in our list of persons who will receive copies of the notice of pendency of class action. Will you please send us the list of the names and addresses requested immediately, in order to facilitate our giving prompt notice to all the members of the class. In addition to the Court decisions mentioned in our May 16, 1978 letter, we also bring to your attention the recent decision in Oppenheimer Fund, Inc. v. Sanders, CCH Fed. Sec. L. Rep. ¶96,470 (United States Supreme Court, June 19, 1978).

We are also enclosing a form for you to fill out and mail back to us. This form will tell us whether or not we are correct in believing that you purchased securities of the Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974, and if so, whether you purchased for your own interest or as a nominee.

Very truly yours,

MILBERG WEISS BERSHAD & SPECTHRIE

By James C. [Signature]

EXHIBIT D



May 16, 1976

TO: Any Person or Institution Which Held Record Title to Securities of Franklin New York Corporation (including common stock, preferred stock, or capital notes) Purchased at any Date During the Period From July 16, 1973 to and including May 16, 1974, Which Securities were Beneficially Owned by Others:

Please be advised that an action entitled "Gold, et al., v. Ernst & Ernst, et al. Docket No. 75-C-684 ("the Gold action") is currently pending in the United States District Court for the Eastern District of New York. Plaintiffs in the Gold action have brought suit on behalf of purchasers of securities of Franklin New York Corporation ("Franklin") to recover damages sustained by such purchasers as a result of alleged violations of the federal securities laws and the common law. The claims arise out of alleged misrepresentations and failures by defendants to disclose material facts with respect to the results of operations and economic condition of Franklin's subsidiary, the Franklin National Bank.

The Court has certified the Gold action as a class action on behalf of persons who purchased Franklin securities during the period from July 16, 1973 to and including May 16, 1974. The Court has further directed that notice of pendency of the Gold action be mailed to all class members who can be identified by reasonable effort. This letter does not constitute that notice, but is being sent to you in an effort to obtain the information necessary to provide the required notice.

You have been identified by the parties to the Gold action as a purchaser of record of Franklin securities during the relevant period, and it is believed that you may have purchased such securities as a nominee. In order that the notice of pendency of class action may be mailed to the beneficial owners of the securities, you are hereby requested to mail a list of the names and addresses of any beneficial owners on whose behalf you purchased such securities to:

Clerk  
United States District Court  
P.O. Box 1209  
New York, New York 10001



If you did not purchase the Franklin securities as a nominee, please mail to the same address a statement that you purchased the Franklin securities for your own interest and not for the beneficial interest of another.

Should you anticipate that more than a week will elapse before you will mail us the list of beneficial owners, we would appreciate your writing to the above address to inform us that you have received this letter and are proceeding to prepare the list.

Plaintiffs have the responsibility of ascertaining the names and addresses of the beneficial owners and of mailing the notice to them. By identifying the beneficial owners, if any, of the securities held in your name, you will enable us to give direct notice of the pendency of the action to such owners. We hope you will cooperate in this effort.

Please advise us if you desire to give your own notice to the beneficial owners on whose behalf you purchased the securities. If you wish to provide the notice yourself, we will supply sufficient copies of the notice of pendency of class action to you for such purpose, together with a form of affidavit for you to complete and return to us listing the names and addresses of the beneficial owners to which you mailed the notice.

This letter is being sent in the hope that you will provide the information requested and thereby render it unnecessary to serve you with a subpoena. In this connection, we wish to bring to your attention the decision of the United States Court of Appeals for the Second Circuit in the Gold action dated April 3, 1978, CCH Federal Securities Law Reports 496,373. See also Blank v. Tally Industries, Inc., 54 F.R.D. 627 (S.D.N.Y. 1972).

Very truly yours,

*Milberg Weiss Bershad & Specthrie*  
MILBERG WEISS BERSHAD & SPECTHRIE  
Liaison Counsel for Class Action  
Plaintiffs and Attorneys for  
Plaintiff Robert Gold

Re: Gold, et al. v. Ernst & Ernst  
et al., Docket No. 75-C-684

Please check whichever statement or statements below are correct, sign this form where indicated, and mail this form to Clerk, United States District Court, P.O. Box 1209, New York, New York 10001.

- (a) ☒ The undersigned purchased securities of Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974 for the beneficial interest of the undersigned.
- (b) ☐ The undersigned purchased securities of Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974, for the beneficial interest of another person or company.\*
- (c) ☐ The undersigned did not purchase any securities of Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974.

\_\_\_\_\_  
Name of Person or  
Institution Responding

\_\_\_\_\_  
Address

\* If you purchased for the beneficial interest of another, please mail to the same address the names and addresses of the persons or companies for whose interest such purchases were made.





6.19.78

SA 20

Merrill Lynch  
Pierce  
Fenner & Smith Inc.

June 15, 1978

Milberg Weiss Bershad & Specthrie  
One Penn Plaza  
New York, N.Y. 10001

Attn: Mr. Mitchell Aaron

Dear Mr. Aaron:

I am formally requesting the sum of 500  
sets of the Notice of Pendency of Class Action  
for the Franklin New York Corporation.

Upon receipt of the material we will mail  
to our beneficial holders. It is against our  
firm's policy to release names and addresses  
without a subpoena.

Thank you

Yvonne Johnson  
Proxy Section



**Irving Trust  
Company**

**A.C.arter  
New York Bank**



SA 21

Irving Trust Company  
Personal Trust Division  
One Wall Street  
New York, N.Y. 10015

Dohdan W. Kobzar  
Assistant Vice President

September 15, 1978

Milberg, Weiss Bershad & Specthrle  
One Pennsylvania Plaza  
New York, N.Y. 10001

Gentlemen:

We have received your Second Notice to Persons or Institutions which he'd record title to Securities of Franklin New York Corporation. On June 6, 1978 we replied to the clerk of the Court stating our policy. We have enclosed a copy of our letter.

This letter covers securities registered in the name of our nominees.

Leslie & Co.  
Orrin Henry & Co.  
Pert & Co.  
Charles, Frederic & Co.

Very truly yours

**Irving Trust  
Company**

SA 22

Irving Trust Company  
One Wall Street  
New York, New York 10015

June 6, 1978

Clerk of the Court  
United States District Court  
P.O. Box 1209  
New York, New York 10001

Re: Franklin New York Corp.

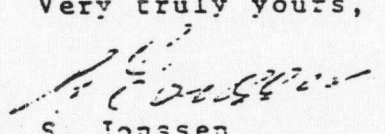
Gentlemen:

We have been requested by the Liaison Counsel for Class Action Plaintiffs and attorneys for Plaintiff Robert Gold to provide a schedule listing the names and addresses of beneficial owners who purchased securities of Franklin New York Corp. during the period from July 10, 1973 to and including May 16, 1974.

Our records indicate that during the period concerned we held securities of Franklin New York Corp. for eight (8) beneficial owners. Please furnish us with sufficient material concerning this litigation and we will be happy to forward it to them.

However before we could comply with your request to complete an affidavit listing the name and address of the beneficial owners we must get their authorization. As you are undoubtedly aware we have the responsibility to our customers to maintain confidentiality. We cannot divulge information regarding our customers unless we have specific authorization from them to do so.

Very truly yours,

  
S. Jonssen

56



**Irving Trust  
Company**

A Charter  
New York Bank



One Wall Street  
New York, N.Y. 10015



Clerk Of the Court  
United States District Court  
P.O. Box 1209  
New York, New York 10001



## MANUFACTURERS HANOVER TRUST COMPANY

600 FIFTH AVENUE, NEW YORK, N. Y. 10020

June 7, 1978

Clerk  
United States District Court  
P.O. Box 1209  
New York, New York 10001

Dear Sir:

We have your letter dated May 16, 1978 in reference to "the Gold action" on behalf of the purchasers of Franklin New York Corporation securities.

It is not a policy of The Manufacturers Hanover Trust Company to disclose information regarding beneficial ownership of any securities held by us for our customers without their specific approval. However, we would be more than happy to forward the notice of pendency of class action to the beneficial owners, complete the affidavits and return them to you.

Would you kindly send fifty copies of the pertinent information to the following address:

The Manufacturers Hanover Trust Company  
40 Wall Street  
New York, New York 10015

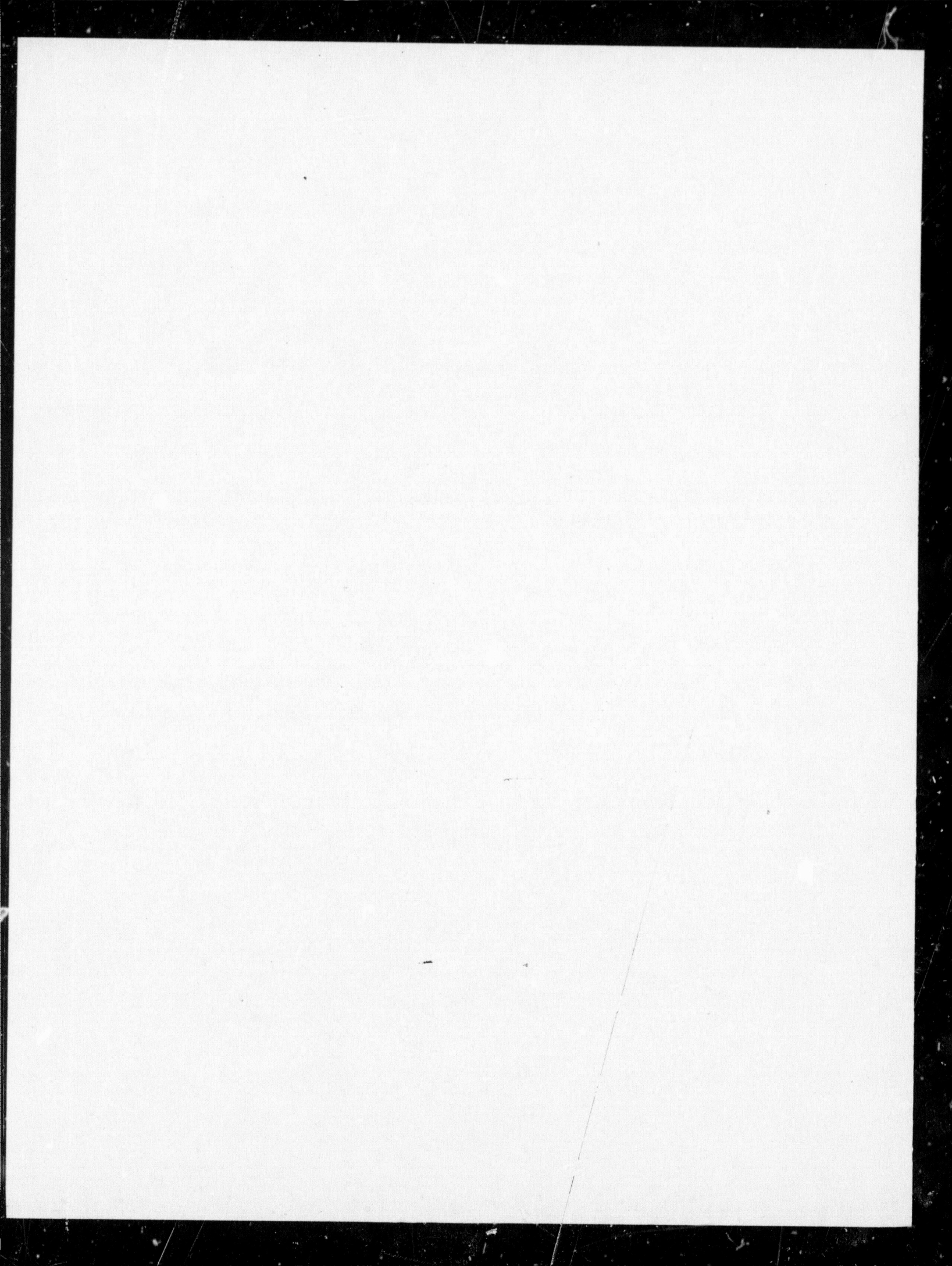
ATTENTION: Mrs. Margaret McGrath  
Reorganization 4/40

Very truly yours,

*R.A. McCarty*  
Rosemary A. McCarty  
Assistant Trust Officer

RAM:lm





SA 25



MANUFACTURERS  
HANOVER TRUST  
NEW YORK, N. Y. 10015



Clerk  
United States District Court  
P.O. Box 1209  
New York, New York 10001



SA 26

P. O. BOX 11,000  
NEW YORK, N. Y. 10249

Clerk  
United States District Court  
P. O. Box 1209  
New York, NY 10001

(109)





First  
Pennsylvania  
Bank

June 5, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, N.Y. 10001

RE: Gold, et al., Ernst & Ernst, et al.  
Docket No. 75-C-684 pending in U.S. District  
Court for the Eastern District of New York.

Gentlemen:

This letter is in response to your correspondence dated May 16, 1978 concerning the forwarding of Notice to class members of the pending Gold action. Our records indicate we have accounts which purchased shares in Franklin New York Corporation during the pertinent period from July 16, 1973 to and including May 16, 1974. On behalf of these accounts we request that you furnish us with copies of the Notice which we will forward to the accounts involved.

Sincerely,

*Valerie P. Lane, Esq.*  
Valerie P. Lane, Esq.  
Associate Legal Counsel

VPL/mp

First  
Pennsylvania  
Bank

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Pennsylvania  
Bank

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Pennsylvania  
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First  
Pennsylvania  
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First  
Pennsylvania  
Bank

*Gold*

*(18)*

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, N.Y. 10001





CHASE

04-306 S.G.

June 19, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

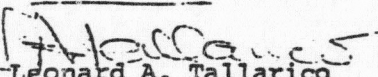
Gentlemen:

Re: Gold, et al. V. Ernst & Ernst, et al.  
Docket No. 75-C-684

We refer to the above referenced class action which is pending in the United States District Court for the Eastern District of New York on behalf of persons who purchased securities of Franklin New York Corporation during the period from July 16, 1973 through May 16, 1974.

In response to your letter of May 16, 1978, we wish to assure you that we will forward the notice of pendency of class action, which will be provided by you, to the beneficial owners of the securities held in our nominee names during the period involved.

Yours very truly,

  
Leonard A. Tallarico  
Second Vice President

S 2300/ls

The Chase Manhattan Bank, N.A.  
60 Wall Street  
New York, N.Y. 10038



CHASE

04-306 K.R.

August 24, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

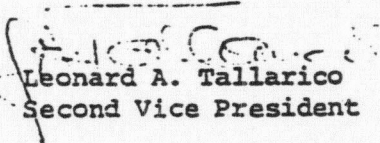
Re: Gold, et al, vs. Ernst & Ernst,  
et al Docket No. 75-C-684

Gentlemen:

We refer to your Second Notice dated August 18, 1978 in connection with the above mentioned class action on behalf of purchasers of securities of Franklin New York Corp.

We enclose a copy of our letter dated June 19, 1978 whereby we assured you that we would forward the Notice of Pendency of class action to the beneficial owners of the securities held in our nominee names.

Yours very truly,

  
Leonard A. Tallarico  
Second Vice President

S 2300/lis



*Lehman Brothers Kuhn Loeb*  
*Incorporated*

SA 31

*55 Water Street*  
*New York, N.Y. 10041*

November 3, 1978

Clerk  
U.S. District Court  
P.O. Box 1209  
New York, N.Y. 10001

Re: Gold, et al., v. Ernst & Ernst, et al.  
Docket No. 75-C-684

Gentlemen:

Please supply 15 copies of any material available in above  
action for distribution to beneficial owners.

Very truly yours,

*Andrew L. Rudolph*  
Andrew L. Rudolph  
Legal & Compliance Dept.

ALR/jll

152

## THE BANK OF NEW YORK

NEW YORK'S FIRST BANK - FOUNDED 1784 BY ALEXANDER LEITCH

48 WALL STREET, NEW YORK, N. Y. 10013

May 31, 1978

Clerk  
United States District Court  
P. O. Box 1209  
New York, NY 10001

RE: Any person or institution which held Record Title to Securities of Franklin New York Corporation (including common stock, preferred stock, or capital notes) purchased at any date during the period from July 16, 1973 to and including May 16, 1974, which securities were beneficially owned by others.

Please be advised that the Bank of New York, in the cases of each account presently or formerly maintained with the Bank of whose behalf the Bank purchased shares or notes of Franklin New York during the period of July 16, 1973 to and including May 16, 1974 will be forwarded directly all notices pertaining to the Class action.

At this time the Bank's records show that there are three accounts involved. Two are in the Bank's nominee names of, (1) - Hare & Company, (2) - Hodges & Company, and the third is in the accounts own name of Marion Jordan.

All reasonable efforts will be made to insure that copies of notification will be mailed to each such account at the most recent appropriate address known to the Bank.

We trust that we have satisfied your request dated May 16, 1978 with the above information. If we can be of further assistance, please call Mrs. Aldana Katinas - 530-8855 - or write to Bank of New York, 110 Washington Street, New York, New York, 10006, FDC Department, 2nd Floor, Att: A. Katinas.

Very truly yours,  
Fiduciary Data Control Department

Aldana Katinas  
Principal Clerk



---

*Lehman Brothers Kuhn Loeb*  
*Incorporated*  
*55 Water Street*  
*New York, N.Y. 10011*

Clerk  
U.S. District Court  
P.O. Box 1209  
New York, N.Y. 10001

EXHIBIT IV TO AFFIDAVIT OF JEROME M.  
CONGRESS SWORN TO JANUARY 12, 1979



PAINÉ  
WEBBER  
JACKSON  
& CURTIS  
INCORPORATED

SA 34

3-2

Established 1879 Members New York Stock Exchange, Inc. and other Principal Exchanges  
25 Broad Street, New York, N.Y. 10004 (212) 437-2121

May 31, 1978

Milberg, Weiss, Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

RE: Gold v. Ernst & Ernst  
ISSUER: Franklin New York Corp.

Gentlemen:

In connection with your request that we (furnish you with the names and addresses of clients) or (mail class action notices to clients) who acquired securities of the above described issuer between certain dates through our firm, please be advised that Paine Webber does not maintain as an ordinary business record lists of such individuals. The only record maintained in our ordinary course of business with respect to the beneficial ownership of securities, relates solely to those clients who are presently carrying a position which is held by Paine Webber as owner of record. However, through the use of our computer facilities, the information you require may be extracted from our master trading records. The cost in computer time approximates \$200 for each calendar year's trading or part thereof, which must be run through our computer, and we therefore, request that you forward to us a check in the amount of \$400.00. Upon receipt of same, we will expeditiously comply with your request, with the understanding that you agree to also reimburse us for our handling and mailing expenses as provided for in New York Stock Exchange Rule 465. This rule calls for reimbursement at a client rate of 10¢ plus actual postage. We will bill you separately for the mailing and handling costs. If, on the other hand, you desire to avoid the mailing and handling costs (though not the research costs), we will be happy to furnish you with the client name and address list provided your request has been issued under court order which permits us to divulge this information to you.

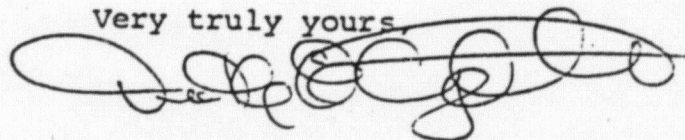
Please note that we are willing to mail notices to our current beneficial owners for mailing and handling costs alone since lists of current holders are maintained in the ordinary course of business and additional research is not involved.

1

As an alternative to the above, we would be amenable to granting you permission to inspect the various stock summary, blotter and other records maintained by us from which you could then perform the research necessary to compile a list of holders pertinent to the class action period. This right of inspection will be conditioned on your agreeing to treat any information obtained as a result of such inspection on a confidential basis, and with the understanding that it would be utilized solely for the purpose of notifying class members.

Please indicate how you wish us to proceed by checking the appropriate box below and returning same to the attention of the undersigned.

Very truly yours,



Timothy E. Longworth  
Vice President  
Regulatory Affairs

\_\_\_\_ Please mail to all beneficial owners between dates indicated in notice. We enclose payment for research costs and agree to additionally reimburse you for mailing and handling costs.

\_\_\_\_ Please mail to current beneficial owners on your records only. We agree to reimburse you for mailing and handling costs.

\_\_\_\_ Please forward to us list of names and addresses of beneficial owners between dates listed in notice. We enclose payment for research costs.\*

\_\_\_\_ Please forward to us list of current beneficial owners only - no cost involved.\*

\_\_\_\_ We wish to inspect records on your premises and will contact you to make the necessary arrangements.\*

Title of Class Action: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

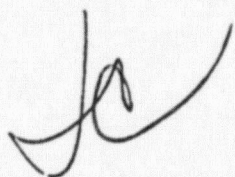
Date: \_\_\_\_\_

\*This alternative can only be complied with if an appropriate court order exists permitting us to divulge same.



PAINE  
WEBBER  
JACKSON  
& CURTIS  
INCORPORATED

Street, New York, N. Y. 10004



Milberg, Weiss, Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

**EF Hutton**

One Battery Park Plaza  
New York, New York 10004  
Telephone (212) 741-5000

June 2, 1978

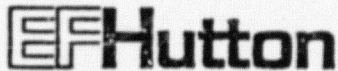
Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

Dear Sir:

We are aware that you have forwarded a letter dated May 16, 1978 to various broker/dealers through whom shares of Franklin securities may have been purchased during the relevant class action period. While we have no record of having received said letter from you, we have been furnished with a copy of same by another broker dealer who did receive it. Since the content of said letter would appear to apply to us as well we believe it appropriate to respond thereto.



SA 38



One Battery Park Plaza  
New York, New York 10004  
Telephone (212) 742-5000

Milberg Weiss Bershad & Soecthrie  
One Pennsylvania Plaza  
New York New York 10001

Re: "Gold, et al. v Ernst & Ernst, et al  
Docket No. 75-C-684

Dear

You have requested that we furnish the names and addresses of persons who acquired securities of the above described issuer between certain dates through our firm. We do not compile or maintain an ordinary business record of such individuals. The only records maintained in the ordinary course of business with respect to client shareholdings are maintained on a daily basis and reflect each client's position for each day such position is held at our firm.

However, through the research capabilities of our computer facilities, the information you require can be extracted from master trading records. The cost in computer time approximates \$ 83.00 for each calendar year's trading or part thereof, which must be run through the computer. We therefore request that you forward to us a check in the amount of \$ 83.00. Upon receipt, we shall expeditiously comply with your request. Also, we will mail class action notices on your behalf if you supply sufficient copies of the notice and agree to reimburse us for our handling and mailing expenses as provided for in New York Stock Exchange Rule 465. This rule calls for reimbursement at a rate of 10¢ per copy plus postage. We will bill you separately for the actual mailing and handling costs.

Alternatively you may inspect the various stock summary, blotter and other records maintained by us. From these records you could then perform the research necessary to compile a list of holders pertinent to the class action period. This right of inspection is conditioned on your agreeing to treat any information obtained as a result of such inspection on a confidential basis, and with the understanding that it would be utilized solely for the purpose of notifying class members. The same is of course true with respect to any information furnished through our computer facilities.

Please indicate how you wish us to proceed by checking the appropriate box below and returning this letter signed by you with your check to the undersigned.

Very truly yours,

*For Hutton*  
E.F.Hutton & Company., Inc  
Proxy Department

☐

Please mail to all beneficial owners between dates indicated in notice. We enclose payment for research costs and agree to additionally reimburse you for mailing and handling costs.

☐

Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We enclose payment for research costs.

☐

We wish to inspect records on your premises and will contact you to make the necessary arrangements.

Title of Class Action: \_\_\_\_\_

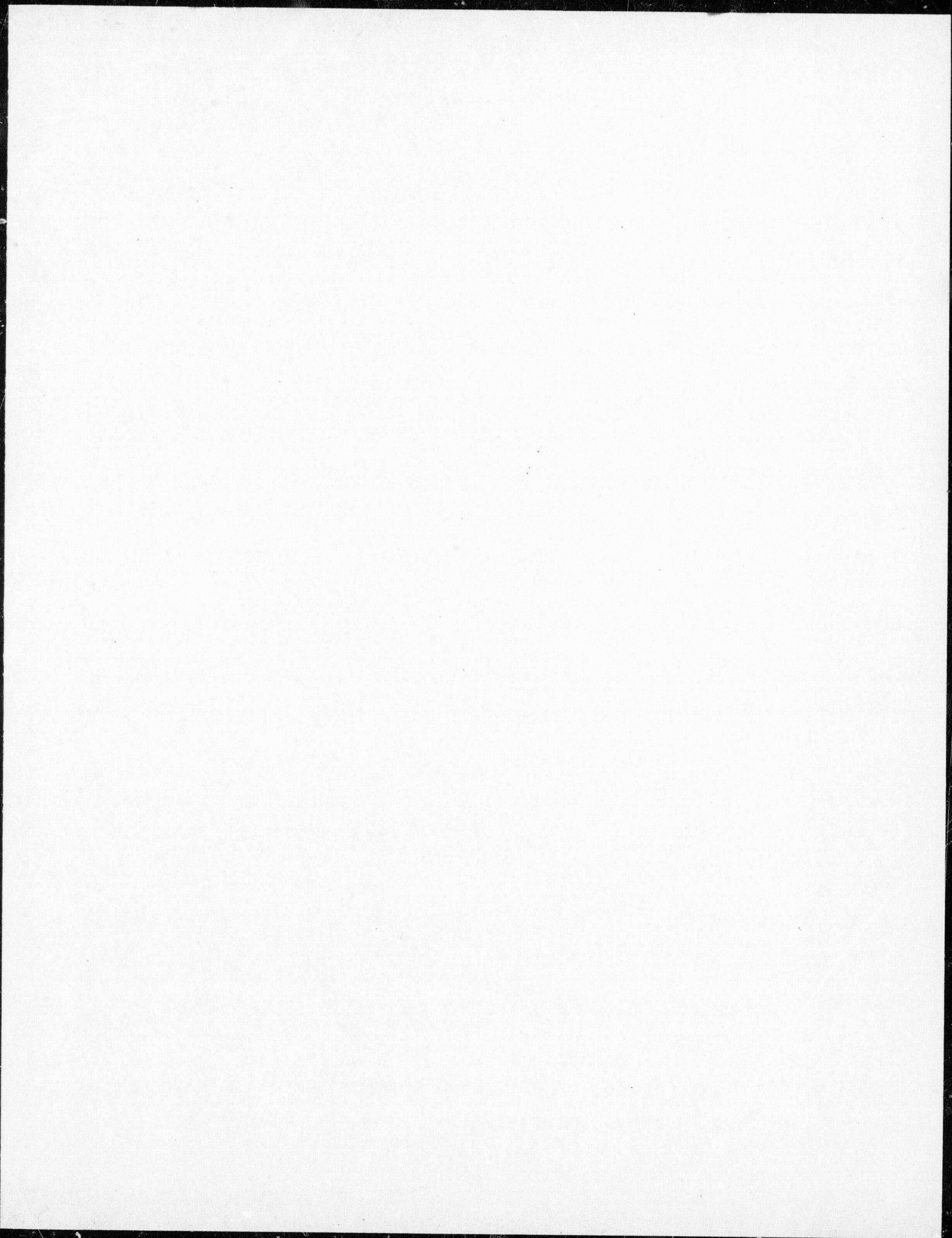
Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

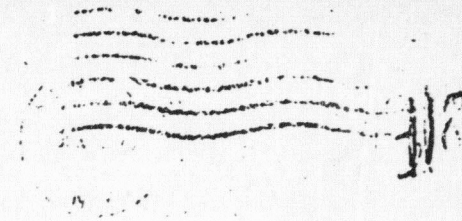
Date \_\_\_\_\_

CC:Clerk  
United States District Court  
P.O. Box 1209  
New York New York 10001





EF Hutton & Company Inc  
One Battery Park Plaza  
New York NY 10004



**EF Hutton**

CLERK  
UNITED STATES DISTRICT COURT  
P.O. Box 1209  
NEW YORK NEW YORK 10001

15

SA 40



## Salomon Brothers

Donald M. Feuerstein

June 26, 1978

Clerk  
United States District Court  
P. O. Box 1209  
New York, New York 10001

Re: Gold v. Ernst and Ernst  
(Docket No. 75-C-684)

Dear Sir:

We are in receipt of a letter from Messrs. Milberg Weiss Bershad & Specthrie requesting mailings to, or the names and addresses of, persons who purchased certain securities of the Franklin National Corporation through us from July 16, 1973, through May 16, 1974.

We do not usually compile or maintain an ordinary business record of such individuals. Indeed, we do not usually maintain any hard copy records of transactions sorted primarily by security. The only such records usually maintained in the course of business with respect to client transactions are sorted primarily by date. It is a very time-consuming process to search the paper work for each date during a specified time period to locate transactions in particular securities.

Through the research capabilities of our computer facilities, such information can be extracted from master trading records. The cost in computer time varies by the number of pertinent transactions located. Since the computer records contain only code numbers or short name titles for customer identification, they must then be manually looked up in our customer list to compile a list of names and addresses. In this case we would estimate the cost of such research at \$70 and will be pleased to provide the lawyers with it upon receipt of that sum. Also, we will mail class action notices on the lawyers' behalf if they supply sufficient copies of the notice and agree to reimburse us for our handling and mailing expenses as provided for in New York Stock Exchange Rule 465. This rule calls for reimbursement at a rate of 10¢ per copy plus postage. We will bill them separately for the actual mailing and handling costs.

Alternatively the lawyers may inspect the various hard copy records maintained by us. From these records they could then perform the research necessary to compile a list of purchasers pertinent to the class action period. This right of inspection is conditioned on their agreeing to treat any information obtained as a result of such inspection on a confidential basis, and with the understanding that it would be utilized solely for the purpose of notifying class members. The same is of course true with respect to any information furnished through our computer facilities.

Salomon Brothers

Clerk  
United States District Court

- 2 -

June 26, 1978

The lawyers should indicate how they wish us to proceed by checking the appropriate box below and returning this letter signed by them with their check to me.

Very truly yours,

*Donald M. Feuerstein*  
General Partner



Please mail to all beneficial owners between dates indicated in notice. We enclose payment for research costs and agree to additionally reimburse you for mailing and handling costs.



Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We enclose payment for research costs.



We wish to inspect records on your premises and will contact you to make the necessary arrangements.

Title of Class Action: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



# Oppenheimer & Co., Inc.

SA 43

1 PENN PLAZA, NEW YORK CITY 10004, (212) 320

TELEPHONE ADDRESS: OPPENHEIMER NEW YORK

AARON T. TELTBAUM  
ASSOCIATE DIRECTOR  
COMPLIANCE/LAW

August 24, 1978

Milberg Weiss Bershad & Specthrie  
1 Penn Plaza, Room 4915  
New York, New York 10001

Re: Gold, et al., Ernst & Ernst, et al.

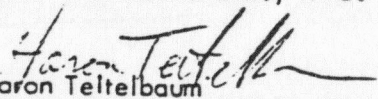
Gentlemen:

In connection with your request that we mail Class Action Notices to our customers who acquired or held securities of Franklin New York Corporation between certain dates through our firm, please be advised that we do not maintain such records in the ordinary course of our business. The only records maintained in the ordinary course of business with respect to such clients' holdings relate to those customers who are presently carrying a position at our firm. However, through the manual research capabilities of our internal audit department, the information you require can be extracted from master trading records. The cost in employee time approximates \$150. Upon receipt of same we will expeditiously comply with your request, with the understanding that you also agree to reimburse us for our handling and mailing expenses as provided for in New York Stock Exchange Rule 465. This Rule calls for reimbursement at a client rate of 10c plus actual postage. We will be happy to bill you separately for mailing and handling costs. If, on the other hand, you desire to avoid the mailing and handling costs (through not the research costs) we will be happy to furnish you with the name and address list of clients which our research will disclose provided your request has been issued under a Court Order which permits us to divulge this information to you.

Please note that we are willing to mail notices to current beneficial owners for mailing and handling costs only since such information is maintained in the ordinary course of our business and additional research is not needed. Please indicate how you wish us to proceed by checking the appropriate box on the attached page and return the same to the undersigned. Of course, if you wish, we will make our records available to you at our place of business so that you can obtain this information yourselves at your own cost and expense.

Very truly yours,

OPPENHEIMER & CO., INC.

  
Aaron Teltelbaum  
Associate Director  
Compliance/Law

AT:tds  
Enclosure

45



Please mail to all beneficial owners between dates indicated in notice. We enclose payment for research costs and agree to additionally reimburse you for mailing and handling costs.



Please mail to current beneficial owners on your records only. We agree to reimburse you for mailing and handling costs.



Please forward to us list of names and addresses of beneficial owners between dates listed in notice. We enclose payment for research costs.\*



Please forward to us list of current beneficial owners only - no cost involved.\*

Title of Class Action: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\* This alternative can only be complied with if an appropriate Court Order exists permitting us to divulge same.



SA 45

Oppenheimer & Co., Inc.  
ONE NEW YORK PLAZA, NEW YORK CITY 10004

*[Handwritten signature]*

Milberg Weiss Bershad & Specthrie  
1 Penn Plaza, Room 4915  
New York, New York 10001



# Oppenheimer & Co., Inc.

ONE NEW YORK PLAZA, NEW YORK CITY 10004, (212) 503-4000 TELE ADDRESS: OPPENHEIM NEW YORK

SA 46

AARON TELTELBAUM  
ASSOCIATE DIRECTOR  
COMPLIANCE/LAW

May 31, 1978

Milberg Weiss Bershad & Specthrie  
1 Pennsylvania Plaza  
New York, New York

Re: Gold, et al., v. Ernst, et al.

In connection with your request that we mail Class Action Notices to our customers who acquired or held securities of **Franklin New York Corporation** between certain dates through our firm, please be advised that we do not maintain such records in the ordinary course of our business. The only records maintained in the ordinary course of business with respect to such clients' holdings relate to those customers who are presently carrying a position at our firm. However, through the manual research capabilities of our internal audit department, the information you require can be extracted from master trading records. The cost in employee time approximates \$200. . Upon receipt of same, we will expeditiously comply with your request, with the understanding that you also agree to reimburse us for our handling and mailing expenses as provided for in New York Stock Exchange Rule 465. This Rule calls for reimbursement at a client rate of 10c plus actual postage. We will be happy to bill you separately for mailing and handling costs. If, on the other hand, you desire to avoid the mailing and handling costs (through not the research costs) we will be happy to furnish you with the name and address list of clients which our research will disclose provided your request has been issued under a Court Order which permits us to divulge this information to you.

Please note that we are willing to mail notices to current beneficial owners for mailing and handling costs only since such information is maintained in the ordinary course of our business and additional research is not needed. Please indicate how you wish us to proceed by checking the appropriate box on the attached page and return the same to the undersigned. Of course, if you wish, we will make our records available to you at our place of business so that you can obtain this information yourselves at your own cost and expense.

Very truly yours,

OPPENHEIMER & CO., INC.

Aaron Teltelbaum  
Associate Director  
Compliance/Law

AT:tds  
Enclosure



- ☐ Please mail to all beneficial owners between dates indicated in notice. We enclose payment for research costs and agree to additionally reimburse you for mailing and handling costs.
- ☐ Please mail to current beneficial owners on your records only. We agree to reimburse you for mailing and handling costs.
- ☐ Please forward to us list of names and addresses of beneficial owners between dates listed in notice. We enclose payment for research costs.\*
- ☐ Please forward to us list of current beneficial owners only - no cost involved.\*

Title of Class Action: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\* This alternative can only be complied with if an appropriate Court Order exists permitting us to divulge same.

AARON TEITELBAUM  
**Oppenheimer & Co., Inc.**  
ONE NEW YORK PLAZA, NEW YORK CITY 10004

Clerk  
United States District Court  
P. O. Box 1209  
New York, New York 10001

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SA 48



# Oppenheimer & Co., Inc.

200 NEW YORK PLAZA, NEW YORK CITY 10034, (212) 850-1000

200 NEW YORK PLAZA, NEW YORK CITY 10034, (212) 850-1000

SA 49

AARON TETTELBAUM  
ASSOCIATE DIRECTOR  
COMPLIANCE / LAW

May 31, 1978

Milberg Weiss Bershad & Specthrie  
1 Pennsylvania Plaza  
New York, New York


Re: Gold, et al., v. Ernst, et al.

In connection with your request that we mail Class Action Notices to our customers who acquired or held securities of Franklin New York Corporation between certain dates through our firm, please be advised that we do not maintain such records in the ordinary course of our business. The only records maintained in the ordinary course of business with respect to such clients' holdings relate to those customers who are presently carrying a position at our firm. However, through the manual research capabilities of our internal audit department, the information you require can be extracted from master trading records. The cost in employee time approximates \$200. . Upon receipt of same, we will expeditiously comply with your request, with the understanding that you also agree to reimburse us for our handling and mailing expenses as provided for in New York Stock Exchange Rule 465. This Rule calls for reimbursement at a client rate of 10¢ plus actual postage. We will be happy to bill you separately for mailing and handling costs. If, on the other hand, you desire to avoid the mailing and handling costs (through not the research costs) we will be happy to furnish you with the name and address list of clients which our research will disclose provided your request has been issued under a Court Order which permits us to divulge this information to you.

Please note that we are willing to mail notices to current beneficial owners for mailing and handling costs only since such information is maintained in the ordinary course of our business and additional research is not needed. Please indicate how you wish us to proceed by checking the appropriate box on the attached page and return the same to the undersigned. Of course, if you wish, we will make our records available to you at our place of business so that you can obtain this information yourselves at your own cost and expense.

Very truly yours,

OPPENHEIMER & CO., INC.

  
Aaron Tettelbaum  
Associate Director  
Compliance/Law

AT:tds  
Enclosure



Please mail to all beneficial owners between dates indicated in notice. We enclose payment for research costs and agree to additionally reimburse you for mailing and handling costs.



Please mail to current beneficial owners on your records only. We agree to reimburse you for mailing and handling costs.



Please forward to us list of names and addresses of beneficial owners between dates listed in notice. We enclose payment for research costs.\*



Please forward to us list of current beneficial owners only - no cost involved.\*

Title of Class Action: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

\* This alternative can only be complied with if an appropriate Court Order exists permitting us to divulge same.

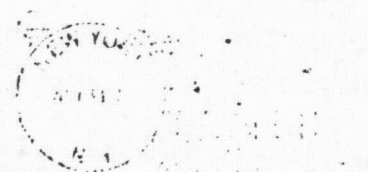


SA 51

A. Teitelbaum  
**Oppenheimer & Co., Inc.**  
ONE NEW YORK PLAZA, NEW YORK CITY 10004



Milberg Weiss Bershad & Specthrie  
1 Pennsylvania Plaza  
New York, NY



**Drexel Burnham Lambert**  
INCORPORATED  
MEMBER OF PRINCIPAL STOCK AND COMMODITY EXCHANGES

1901 AVENUE OF THE STARS  
LOS ANGELES, CALIFORNIA 90067  
(213) 552-8300

June 13, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York  
10001

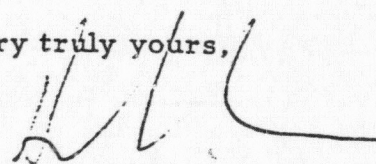
Re: Franklin New York Corporation

Gentlemen:

This is to acknowledge receipt of your letter of May 16, 1978, concerning Gold et al v. Ernst & Ernst et al.

This is to advise you that certain assets of Stern, Frank, Meyer & Fox Incorporated were acquired by Drexel Burnham Lambert Incorporated on March 18, 1977. The records of Stern, Frank, Meyer & Fox are in storage, and the cost of retrieving the data you request would be approximately \$200. Please advise us if you wish us to proceed and we will be happy to comply. Also advise us whom we should invoice.

Very truly yours,



Aaron R. Eshman  
First Vice President

ARE/b

5





**Drexel Burnham Lambert**  
INCORPORATED

1901 AVENUE OF THE STARS  
LOS ANGELES, CALIFORNIA 90067

*Franklin*

Milbert Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York  
10001

104



## HUGHES LUCE HENNESSY SMITH &amp; CASTLE

1000 MERCANTILE DALLAS BL. D. D.

DALLAS, TEXAS 75201

M. DAVID BRYANT, JR.

TELEPHONE (214) 651-0477

September 15, 1973

Mr. Jerome M. Congress  
Milberg, Weiss, Bershad & Specthrie  
One Pennsylvania Plaza  
New York, NY 10001

Re: Gold, et al. vs. Ernst &amp; Ernst, et al.

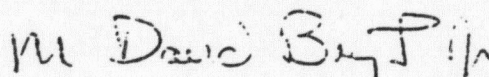
Dear Mr. Congress:

In accordance with our conversations, duPont Glore Forgan, Inc. has obtained an estimate of the cost of searching its records to determine the names and addresses of its customers who are members of the Plaintiff class in the above-entitled action. The estimated cost of this search is \$475.00.

As I indicated to you, duPont Glore Forgan, Inc. ceased active business operations in the spring of 1974 and no longer has ready access to its records. Those records are stored in an un-airconditioned warehouse in Dallas, Texas, and duPont has no personnel who are capable of making such a search. Accordingly, when reviews of its records are required, duPont customarily engages an independent firm, W & W Consulting Services of New York, Inc., to make such searches. Although the costs of such a search are greater than those that would be incurred by an operating brokerage firm with ready access to its records, duPont believes that they are quite reasonable for the type of manual search that is required, and certainly the least expensive alternative available.

Accordingly, duPont respectfully requests that any costs which it may incur in such a search be reimbursed in full from any settlement fund which may be created in the above-entitled action. Upon receiving assurance of such reimbursement, duPont will promptly take steps to inform you of the names and addresses of the class members as reflected by its records.

Very truly yours,



M. David Bryant, Jr.

MDB/dt

12/13/78  
SA 55

LAW OFFICES OF  
HUGHES LUCE HENNESSY SMITH & CASTLE  
1000 MERCANTILE DALLAS BUILDING  
DALLAS, TEXAS 75201

M. DAVID BRYANT

December 11, 1978

TELEPHONE (214) 651-0477

Mr. Jerome M. Congress  
Milberg, Weiss, Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

Re: Gold, et al vs. Ernst & Ernst, et al

Daer Mr. Congress:

Enclosed please find copies of account statements of 87 former customers of duPont Glore Forgan, Inc. and/or duPont Walston Incorporated who are members of the class in the above-entitled action.

In accordance with my letter to you of September 15, 1978, and our telephone conversations, duPont Glore Forgan, Inc. has incurred and paid expenses of \$747.00 in searching and duplicating its records to obtain this information. duPont respectfully requests reimbursement of these expenses at your earliest convenience.

Very truly yours,

*M. David Bryant, Jr.*

M. David Bryant, Jr.

MDB/dt  
Encls.



**STIFEL, NICOLAUS  
& COMPANY INCORPORATED**

SA 56

INVESTMENT SERVICES SINCE 1890

500 N. Broadway, St. Louis, Mo. 63102, 314-342-2000

June 2, 1978

Milberg, Weiss, Bershad & Specthrie  
c/o Clerk United States District Court  
P.O. Box 1209  
New York, New York 10001

RE: Gold, et al.: vs. Ernst & Ernst et al.

Gentlemen,

We acknowledge receipt on May 26, 1978 of your request dated May 16, 1978 asking that we furnish the names and addresses of clients who acquired securities of Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974. Such a compiled list of names and addresses is not maintained by this firm in the ordinary course of business. To assist you in this matter, we will incur various costs as outlined below. We, therefore, require your agreement to make the following payments;

- (1) An hourly charge of \$25.00 per hour based on the time spent by our employees searching the records. It is necessary that we review the daily stock record to determine every purchase made for the required time period. Having obtained account numbers, we then secure the name and address of persons making purchases and sales. Since this can involve many hours, depending upon the number of trades, we cannot estimate the total time which will be expended.
- (2) The cost of reproducing your notice. If, as you have indicated, you will furnish us sufficient copies, with mailing envelopes, based upon our determination of the number of clients, there will be no reproduction costs.
- (3) Actual costs of mailing plus 10c for handling per customer, in accordance with the provisions of New York Stock Exchange Rule 465.

If you agree to pay the costs described in items (1), (2) and (3) above, we will promptly complete the search and notify you of the total cost involved. Upon receipt of your check, the notice will be mailed to the persons identified.

Alternatively, if you desire to avoid the mailing and reproduction costs referred to in items (2) and (3) above, we will furnish you with the requested list so that you can effect the mailing. Furthermore, in lieu of doing the research ourselves, we will grant permission to inspect the various stock summary, blotter and other records maintained by us from which you could then perform the research



MEMBERS / NEW YORK STOCK EXCHANGE, INC. / AMERICAN STOCK EXCHANGE, INC. / MIDWEST STOCK EXCHANGE, INC.

St. Louis   Alton   Bloomington   Chicago   Chicago Heights   Clayton   Denver   Iowa City   Kansas City   Louisville   Memphis   Milwaukee   Mobile   Oklahoma City   Tulsa   Wichita

June 2, 1978

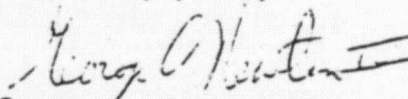
SA 57

necessary to compile a list of holders pertinent to the class action period. This would, of course, obviate the research expenses referred to in item (1).

This right of inspection will be conditioned on your agreement to treat any information obtained as a result of such inspection on a confidential basis with the understanding that it would be utilized solely for the purpose of notifying class members. The same, of course, is true with respect to any information furnished to you through our computer facilities.

Please indicate how you wish us to proceed by checking the appropriate box below, and signing and returning the enclosed copy of this letter to the undersigned.

Very truly yours,



George A. Newton, IV  
General Counsel

- ☐ Please mail to all beneficial owners between dates indicated in notice. We agree to promptly reimburse you for research costs and for mailing and handling costs upon receipt of your bill.
- ☐ Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We agree to reimburse you for research costs upon billing.
- ☐ We wish to inspect records on your premises and will contact you to make the necessary arrangements.

Title of Class Action:

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_



SEITZ, NICOLAUS

& COMPANY INCORPORATED  
500 N Broadway, St. Louis, Mo. 63102

Milberg, Weiss, Bershad & Specthrie  
c/o Clerk United States District Court  
P.O. Box 1209  
New York, New York 10001

SA 58

## WM. C. RONEY &amp; COMPANY

BUHL BUILDING

(313) 963-8703

DETROIT, MICHIGAN 48226

ESTABLISHED 1923

MEMBERS  
NEW YORK STOCK EXCHANGE INC.  
AND OTHER PRINCIPAL EXCHANGES

Clerk  
United States District Court  
P. O. Box 1209  
New York, New York 10001

Gentlemen:

We acknowledge receipt of your request dated 5-16-78 asking that we furnish the names and addresses of clients who acquired securities of Franklin Securities during the period from 7-16-73 to 5-16-74. Such a compiled list of names and addresses is not maintained by this firm in the ordinary course of business. To assist you in this matter, we will incur various costs as outlined below. We therefore require your agreement to make the following payments:

- (1) An hourly charge of \$15.00 per hour based on the time spent by our employees searching the records. It is necessary that we review the daily stock record to determine every purchase made for the required time period. Having obtained account numbers, we then secure the name and address of persons making purchases and sales. Since this can involve many hours, depending upon the number of trades, we cannot estimate the total time which will be expended.
- (2) The cost of reproducing your notice. If you will furnish us sufficient copies, with mailing envelopes, based upon our determination of the number of clients, there will be no reproduction costs.
- (3) Actual costs of mailing plus 10¢ for handling per customer, in accordance with the provisions of New York Stock Exchange Rule 465.

If you agree to pay the costs described in items (1), (2) and (3) above, we will promptly complete the search. However before we will begin the search we will request a deposit of \$100.00 from you. This deposit will be applied against the total amount of the costs involved in completing this search. Once the search has been completed we will advise you of the total costs involved, and upon receipt of your check we will then mail the notice to the persons identified.

8.



Alternatively, if you desire to avoid the mailing and reproduction costs referred to in items (2) and (3) above, we will furnish you with the requested list so that you can effect the mailing. Furthermore, in lieu of doing the research ourselves, we will grant permission to inspect the various stock summary, blotter and other records maintained by us from which you could then perform the research necessary to compile a list of holders pertinent to the class action period. This would, of course, obviate the research expenses referred to in item (1).

This right of inspection will be conditioned on your agreement to treat any information obtained as a result of such inspection on a confidential basis with the understanding that it would be utilized solely for the purpose of notifying class members. The same of course is true with respect to any information furnished to you through our computer facilities.

Please indicate how you wish us to proceed by checking the appropriate box below, and signing and returning this letter to the undersigned.

Very truly yours,

WM. C. RONEY & CO.



R. Gerald Baker  
General Partner

☐

Please mail to all beneficial owners between dates indicated in notice. We agree to promptly reimburse you for research costs and for mailing and handling costs upon receipt of your bill.

☐

Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We agree to reimburse you for research costs upon billing.

☐

We wish to inspect records on your premises and will contact you to make the necessary arrangements.

Title of Class Action: RE: Franklin Securities

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

SA 61

W. M. C. RONEY & COMPANY

2 BUHL BUILDING  
DETROIT, MICHIGAN 48226

Clerk  
United States District Court  
P. O. Box 1209  
New York, New York 10001



367

## BRUNS, NORDEMAN, REA &amp; Co.

ESTABLISHED 1923

CABLE ADDRESS  
BRUNSNORD - N. Y.  
(212) 349-0600

MEMBERS NEW YORK STOCK EXCHANGE  
AND OTHER PRINCIPAL EXCHANGES

115 BROADWAY  
NEW YORK, N. Y. 10006

BRANCH OFFICES  
NEW YORK CITY  
CEDARHURST, N. Y.  
GREAT NECK, N. Y.  
ELIZABETH, N. J.  
NEWARK, N. J.  
ALTOONA, PA.  
PHILADELPHIA, PA.  
PITTSBURGH, PA.  
READING, PA.  
STAMFORD, CONN.  
LONDON, ENGLAND

August 23, 1978

Milberg Weiss Bershad & Specthrie  
1 Pennsylvania Plaza  
New York, N. Y.

Att: Jerome Congress

Re: Franklin New York Corp.  
Gold, et al v. Ernst & Ernst et al.

Gentlemen:

Your letter of August 18, 1978 in the above matter indicates that you have not received a reply from us to your letter of May 16, 1978. Enclosed is a copy of our letter to you of June 15, 1978 to which we have not received any reply.

We would appreciate a reply to our letter after which we will be in a position to begin researching the information you requested.

Very truly yours,

*B. L. Finger*

B. L. Finger  
Compliance Director

BLF:nr  
Enc.

9

## BRUNS, NORDEMAN, REA &amp; Co.

6/15/78

CABLE ADDRESS  
BRUNS NORDEMAN REA  
1212 349-0800

MEMBER NEW YORK STOCK EXCHANGE  
AND OTHER PRINCIPAL EXCHANGES

115 BROADWAY  
NEW YORK, N.Y. 10008

BRUNS, NORDEMAN, REA & Co.  
NEW YORK, N.Y.  
CHICAGO, ILL.  
PHILADELPHIA, PA.  
PITTSBURGH, PA.  
ST. LOUIS, MO.  
WASHINGTON, D.C.

Re: Gold, et al. v. Ernst & Ernst, et al.

Dear Sirs:

We acknowledge receipt of your request dated May 16, 1978 asking that we furnish the names and addresses of clients who acquired securities of Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974. Such a compiled list of names and addresses is not maintained by this firm in the ordinary course of business. To assist you in this matter, we will incur various costs as outlined below. We, therefore, require your agreement to make the following payments:

(1) An hourly charge of \$ 10.00 per hour based on the time spent by our employees searching the records. It is necessary to review the daily stock record to determine every purchase made for the required time period. Having obtained account numbers, we then secure the name and address of persons making purchases and sales. Since this can involve many hours, depending upon the number of trades, we cannot estimate the total time which will be expended.

(2) The cost of reproducing your notice. If you will furnish us sufficient copies, with mailing envelopes, based upon our determination of the number of clients, there will be no reproduction costs.

(3) Actual costs of mailing plus 10¢ for handling per customer, in accordance with the provisions of New York Stock Exchange Rule 465.

If you agree to pay the costs described in items (1), (2) and (3) above, we will promptly complete the search and notify you of the total cost involved. Upon receipt of your check, the notice will be mailed to the persons identified.

Alternatively, if you desire to avoid the mailing and reproduction costs referred to in items (2) and (3) above, we will furnish you with the requested list so that you can effect the mailing. Furthermore, in lieu of doing the research ourselves, we will grant permission to inspect the various stock summary, blotter and other records maintained by us from which you could then perform the research necessary to compile a list of holders pertinent to the class action period. This would, of course, obviate the research expenses referred to in item (1).

This right of inspection will be conditioned on your agreement to treat any information obtained as a result of such inspection on a confidential basis with the



- 2 -

understanding that it would be used solely for the purpose of notifying class members. The same of course is true with respect to any information furnished to you through our computer facilities.

Please indicate how you wish us to proceed by checking the appropriate box below, and signing and returning this letter to the undersigned.

Very truly yours,

*B. L. Finger*

Compliance Director

☐

Please mail to all beneficial owners between dates indicated in notice. We agree to promptly reimburse you for research costs and for mailing and handling costs upon receipt of your bill.

☐

Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We agree to reimburse you for research costs upon billing.

☐

We wish to inspect records on your premises and will contact you to make the necessary arrangements.

Title of Class Action: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## BRUNS, NORDEMAN, REA &amp; CO.

ESTABLISHED 1923

MEMBERS NEW YORK STOCK EXCHANGE  
AND OTHER PRINCIPAL EXCHANGES115 BROADWAY  
NEW YORK, N.Y. 10006CABLE ADDRESS  
BRUNSNORC-N.Y.  
(212) 349-0600BRANCH OFFICES  
NEW YORK CITY  
CEDARHURST, N.Y.  
GREAT NECK, N.Y.  
ELIZABETH, N.J.  
NEWARK, N.J.  
ALTOONA, PA.  
PHILADELPHIA, PA.  
PITTSBURG, PA.  
READING, PA.  
STAMFORD, CONN.  
LONDON, ENGLAND

Re: Gold, et al. v. Ernst &amp; Ernst, et al.

Dear Sirs:

We acknowledge receipt of your request dated May 16, 1978 asking that we furnish the names and addresses of clients who acquired securities of Franklin New York Corporation during the period from July 16, 1973 to May 16, 1974. Such a compiled list of names and addresses is not maintained by this firm in the ordinary course of business. To assist you in this matter, we will incur various costs as outlined below. We, therefore, require your agreement to make the following payments:

(1) An hourly charge of \$ 10.00 per hour based on the time spent by our employees searching the records. It is necessary that we review the daily stock record to determine every purchase made for the required time period. Having obtained account numbers, we then secure the name and address of persons making purchases and sales. Since this can involve many hours, depending upon the number of trades, we cannot estimate the total time which will be expended.

(2) The cost of reproducing your notice. If you will furnish us sufficient copies, with mailing envelopes, based upon our determination of the number of clients, there will be no reproduction costs.

(3) Actual costs of mailing plus 10¢ for handling per customer, in accordance with the provisions of New York Stock Exchange Rule 465.

If you agree to pay the costs described in items (1), (2) and (3) above, we will promptly complete the search and notify you of the total cost involved. Upon receipt of your check, the notice will be mailed to the persons identified.

Alternatively, if you desire to avoid the mailing and reproduction costs referred to in items (2) and (3) above, we will furnish you with the requested list so that you can effect the mailing. Furthermore, in lieu of doing the research ourselves, we will grant permission to inspect the various stock summary, blotter and other records maintained by us from which you could then perform the research necessary to compile a list of holders pertinent to the class action period. This would, of course, obviate the research expenses referred to in item (1).

This right of inspection will be conditioned on your agreement to treat any information obtained as a result of such inspection on a confidential basis with the



- 2 -

understanding that it would be used solely for the purpose of notifying class members. The same of course is true with respect to any information furnished to you through our computer facilities.

Please indicate how you wish us to proceed by checking the appropriate box below, and signing and returning this letter to the undersigned.

Very truly yours,

*B. L. Finger*

Compliance Director

☐

Please mail to all beneficial owners between dates indicated in notice. We agree to promptly reimburse you for research costs and for mailing and handling costs upon receipt of your bill.

☐

Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We agree to reimburse you for research costs upon billing.

☐

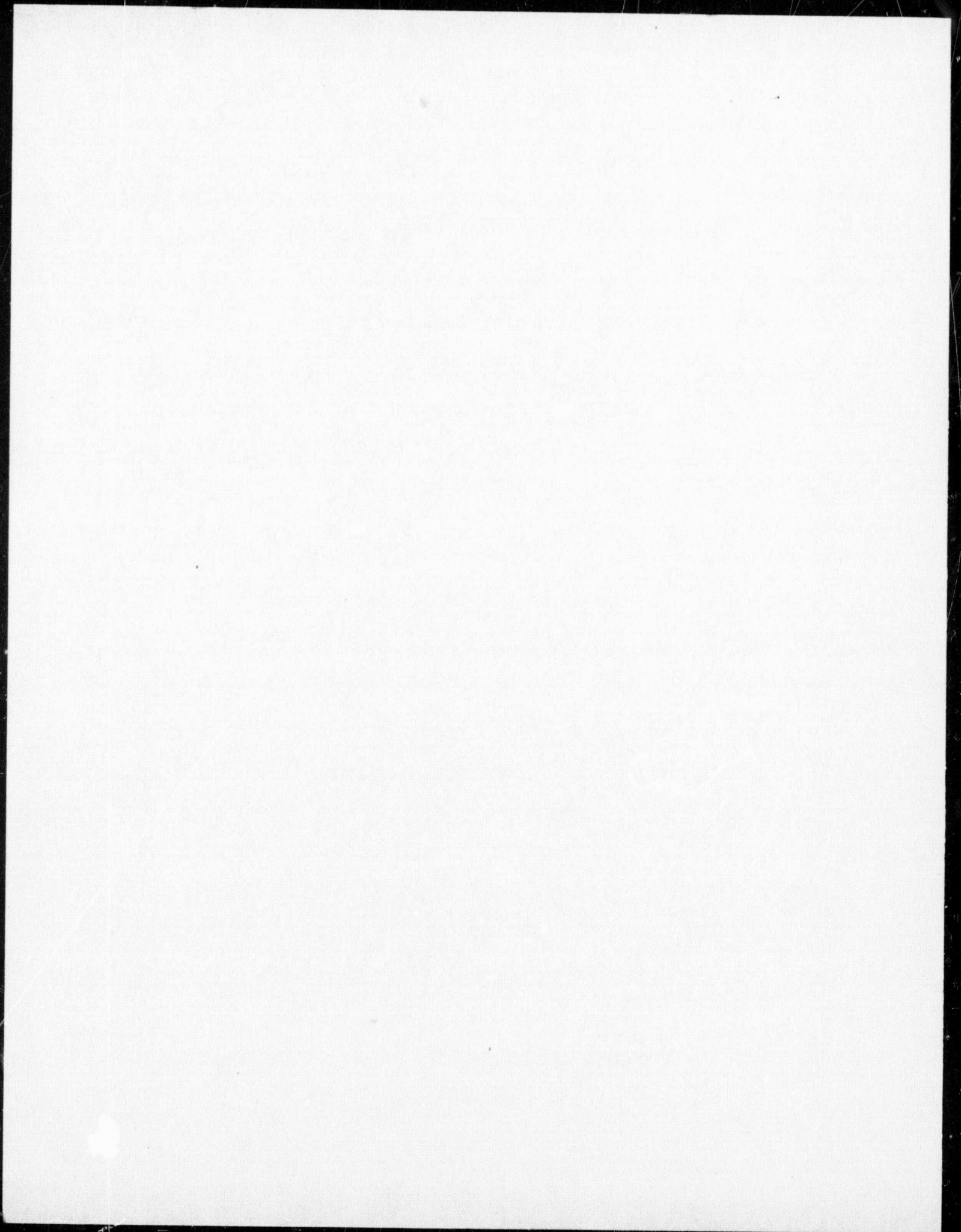
We wish to inspect records on your premises and will contact you to make the necessary arrangements.

Title of Class Action: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_





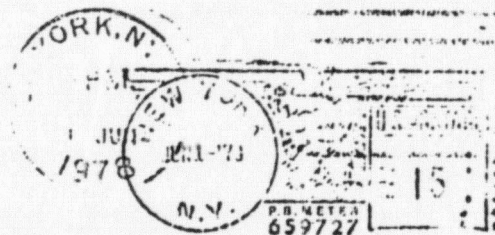
performed to the extent that  
course, obviate the research expenses referred to in  
item (1).

This right of inspection will be conditioned on your  
agreement to treat any information obtained as a result  
of such inspection on a confidential basis with the

BRUNS, NORDEMAN, REA & CO.

115 BROADWAY, NEW YORK, N. Y. 10006

Milberg Weiss Pershad & Specthrie  
1 Pennsylvania Plaza  
New York, N.y.



# Fahnestock & Co.

(Established 1881)

MEMBERS NEW YORK STOCK EXCHANGE INC.  
AND OTHER LEADING EXCHANGES

110 Wall Street  
New York, N.Y. 10005

212-943-8900

CABLE ADDRESS FAHNESTOCK, NEW YORK

NEW YORK CITY  
CHIEFELLER PLAZA

CHICAGO, ILL.  
VILLAGE, N.Y.  
JANESVILLE, N.J.  
IT, N.J.  
URGH, N.Y.  
ESTER, N.Y.  
LEHEN, PA.  
DELPHIA, PA.

ON, ENGLAND  
FRANCE  
CH, WEST GERMANY  
CAS, VENEZUELA

DANBURY, CONN.  
HARTFORD, CONN.  
NEW HAVEN, CONN.  
SOUTHBRURY, CONN.  
TORRINGTON, CONN.  
BOSTON, MASS.  
BATTLE CREEK, MICH.  
DEARBORN, MICH.  
FLINT, MICH.  
GRAND RAPIDS, MICH.  
KALAMAZOO, MICH.  
PORTSMOUTH, N.H.

May 24, 1978

Milberg, Weiss, Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

RE: Gold, et al., v. Ernst & Ernst, et al.

Gentlemen:

We acknowledge receipt of your request dated May 16, 1978 asking that we furnish the names and addresses of clients who acquired securities of Franklin New York Corporation during the period from July 16, 1973 to and including May 16, 1974. Such a compiled list of names and addresses is not maintained by this firm in the ordinary course of business. To assist you in this matter, we will incur various costs as outlined below. We, therefore, require your agreement to make the following payments:

(1) An hourly charge of \$8.00 per hour based on the time spent by our employees searching the records. It is necessary that we review the daily stock record to determine every purchase made for the required time period. Having obtained account numbers, we then secure the name and address of persons making purchases and sales. Since this can involve many hours, depending upon the number of trades, we cannot estimate the total time which will be expended.

(2) The cost of reproducing your notice. If you will furnish us sufficient copies, with mailing envelopes, based upon our determination of the number of clients, there will be no reproduction costs.

(3) Actual costs of mailing plus 10¢ for handling per customer, in accordance with the provisions of New York Stock Exchange Rule 465.

If you agree to pay the costs described in items (1), (2), and (3) above, we will promptly complete the search and notify you of the total cost involved. Upon receipt of your check, the notice will be mailed to the persons identified.

10



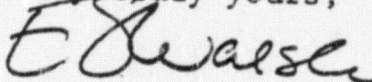
- 2 -

Alternatively, if you desire to avoid the mailing and reproduction costs referred to in items (2) and (3) above, we will furnish you with the requested list so that you can effect the mailing. Furthermore in lieu of doing the research ourselves, we will grant permission to inspect the various stock summary, blotter, and other records maintained by us from which you could then perform the research necessary to compile a list of holders pertinent to the class action period. This would, of course, obviate the research expenses referred to in item (1).

This right of inspection will be conditioned upon your agreement to treat any information obtained as a result of such inspection on a confidential basis with the understanding that it would be utilized solely for the purpose of notifying class members. The same course is true with respect to any information furnished to you through our computer facilities.

Please indicate how you wish to proceed by checking the appropriate box below, and signing and returning this letter to the undersigned.

Very truly yours,



E. Stephen Walsh  
House Counsel and  
General Partner

☐

Please mail to all beneficial owners between dates indicated in notice. We agree to promptly reimburse you for research costs and for mailing and handling costs upon receipt of your bill.

☐

Please forward to us a list of names and addresses of beneficial owners between dates listed in notice. We agree to reimburse you for research costs upon billing.

☐

We wish to inspect records on your premises and will contact you to make the necessary arrangements.



June 20, 1978

Milberg Weiss Bershad and Specthrie  
One Pennsylvania Plaza  
New York, N.Y. 10001

Re: Gold v. Ernst & Ernst  
Docket No. 75-C-684

Gentlemen:

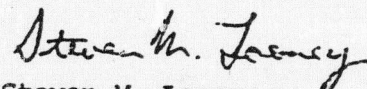
This is to acknowledge receipt of your notice of class action dated May 16, 1978 in the above-referenced case in which you requested that we mail the notices to all holders of record of Franklin New York Corporation for the period beginning July 16, 1973 and ending May 16, 1974. Becker Securities Incorporated has established the following charges for its services in connection with requests such as yours. Prior to beginning our search we require your acceptance of the terms set forth below by signing and returning this letter.

1. An hourly charge of \$7.50 per hour per employee for time spent searching records, if required, to determine purchases made during the applicable period, and names and addresses of purchasing customers. A minimum fee of \$25.00 will be charged for these services.
2. Actual costs of mailing per item.
3. Cost of retrieving records maintained in special storage center.

Upon receipt of your acceptance we will begin our search. When the number of customers has been determined, we will notify you as to the number of copies of the notice which will be required. Unless your request specifies otherwise, we will maintain our records with respect to this search for a period of one year. During that period we will forward additional postage-paid materials upon your request to customers who were mailed the initial notice without additional charge. If we do not receive specific instructions from you, the records of our search will be destroyed after one year from the date of initial mailing.

If you have questions with respect to the above procedures, please contact the undersigned.

Sincerely,



Steven M. Looney  
Office of General Counsel

SMI/vlf

Authorized by \_\_\_\_\_



June 20, 1978

ilberg Weiss Bershad and Specthrie  
ne Pennsylvania Plaza  
ew York, N.Y. 10001

Re: Gold v. Ernst & Ernst  
Docket No. 75-C-684

entlemen:

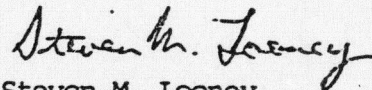
This is to acknowledge receipt of your notice of class action dated May 16, 1978 in the above-referenced case in which you requested that we mail the notices to all holders of record of Franklin New York Corporation for the period beginning July 16, 1973 and ending May 16, 1974. Becker Securities Incorporated has established the following charges for its services in connection with requests such as yours. Prior to beginning our search we require your acceptance of the terms set forth below by signing and returning this letter.

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2. Actual costs of mailing per item.
3. Cost of retrieving records maintained in special storage center.

Upon receipt of your acceptance we will begin our search. When the number of customers has been determined, we will notify you as to the number of copies of the notice which will be required. Unless your request specifies otherwise, we will maintain our records with respect to this search for a period of one year. During that period we will forward additional postage-paid materials upon your request to customers who were mailed the initial notice without additional charge. If we do not receive specific instructions from you, the records of our search will be destroyed after one year from the date of initial mailing.

If you have questions with respect to the above procedures, please contact the undersigned.

Sincerely,



Steven M. Looney  
Office of General Counsel

SML/vdf

Authorized by \_\_\_\_\_

FIRST CLASS  
Permit No. 5770  
Chicago, Ill.

*BUSINESS REPLY MAIL No postage stamp necessary if mailed in the United States*

POSTAGE WILL BE PAID BY

**Becker Securities**  
Incorporated

First National Plaza - Chicago, Illinois 60603

Attn:  
J. Green

SA 72



SA 73

---

**Becker Securities**

First National Plaza  
Chicago, Illinois 60603

Milberg Weiss Bershad and Specthrle  
One Pennsylvania Plaza  
New York, N.Y. 10001

August 29, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, N.Y. 10001

Re: Gold v. Ernst & Ernst  
Docket No. 75 C 684

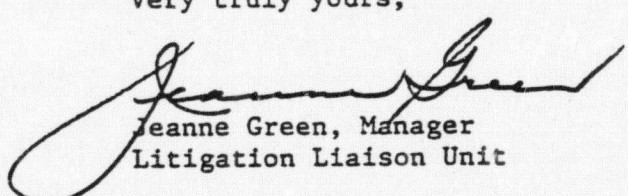
Gentlemen:

On June 20, 1978, our letter (copy enclosed) acknowledging receipt of your notice to holders of record of Franklin New York Corp., was mailed to you for your signature of acceptance of the charges for litigation research as outlined in the enclosed letter.

To date we have not heard from you and must assume you are no longer interested in having the notices mailed to our clients.

If we do not hear from you within ten business days, we will not continue the research and will close our files.

Very truly yours,

  
Jeanne Green, Manager  
Litigation Liaison Unit

Encl.



June 20, 1978

Milberg Weiss Bershad and Specthrie  
One Pennsylvania Plaza  
New York, N.Y. 10001

Re: Gold v. Ernst & Ernst  
Docket No. 75-C-684

Gentlemen:

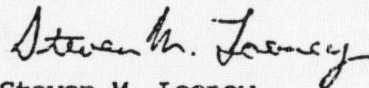
This is to acknowledge receipt of your notice of class action dated May 16, 1978 in the above-referenced case in which you requested that we mail the notices to all holders of record of Franklin New York Corporation for the period beginning July 16, 1973 and ending May 16, 1974. Becker Securities Incorporated has established the following charges for its services in connection with requests such as yours. Prior to beginning our search we require your acceptance of the terms set forth below by signing and returning this letter.

1. An hourly charge of \$7.50 per hour per employee for time spent searching records, if required, to determine purchases made during the applicable period, and names and addresses of purchasing customers. A minimum fee of \$25.00 will be charged for these services.
2. Actual costs of mailing per item.
3. Cost of retrieving records maintained in special storage center.

Upon receipt of your acceptance we will begin our search. When the number of customers has been determined, we will notify you as to the number of copies of the notice which will be required. Unless your request specifies otherwise, we will maintain our records with respect to this search for a period of one year. During that period we will forward additional postage-paid materials upon your request to customers who were mailed the initial notice without additional charge. If we do not receive specific instructions from you, the records of our search will be destroyed after one year from the date of initial mailing.

If you have questions with respect to the above procedures, please contact the undersigned.

Sincerely,



Steven M. Looney  
Office of General Counsel

SML/vdf

Authorized by \_\_\_\_\_

**A.G. Becker**

Two First National Plaza  
Chicago, Illinois 60603

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York N.Y. 10001

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SA 76



**SHEARSON**

August 31, 1978

Jerome Congress, Esq.  
Milberg, Weiss, Bershad & Spectrie  
One Pennsylvania Plaza  
New York, New York 10001

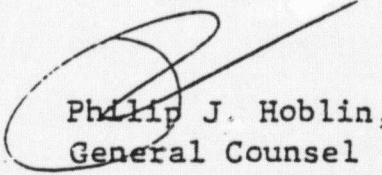
Re: FRANKLIN NEW YORK CORP.

Dear Mr. Congress:

We acknowledge receipt of your letter of August 18, 1978. We do not believe that a broker has a fiduciary duty to incur costs for which he will not be reimbursed. The duty, if any, rests with you as counsel to protect the interest of the Class. We are willing to assist you in fulfilling this obligation, by making our records reasonably available to any certified accounting firm of your choice. The accounting firm will be able to determine the names and addresses of all possible Class participants and make the mailings on your behalf. The accounting firm would first agree, in writing, that this customer list would be treated as confidential and will be used by them solely for the purpose of mailings.

In lieu of this procedure, we are still willing to do the work ourselves, provided we are reimbursed as set forth in our previous letter. I will await your reply.

Very truly yours,

  
Philip J. Hoblin, Jr.  
General Counsel

PJH:map

**SHEARSON**

May 30, 1978

Milberg, Weiss, Bershad & Spectrie  
One Pennsylvania Plaza,  
New York, New York 10001

Re: Franklin N. Y. Corp.

Dear Sirs:

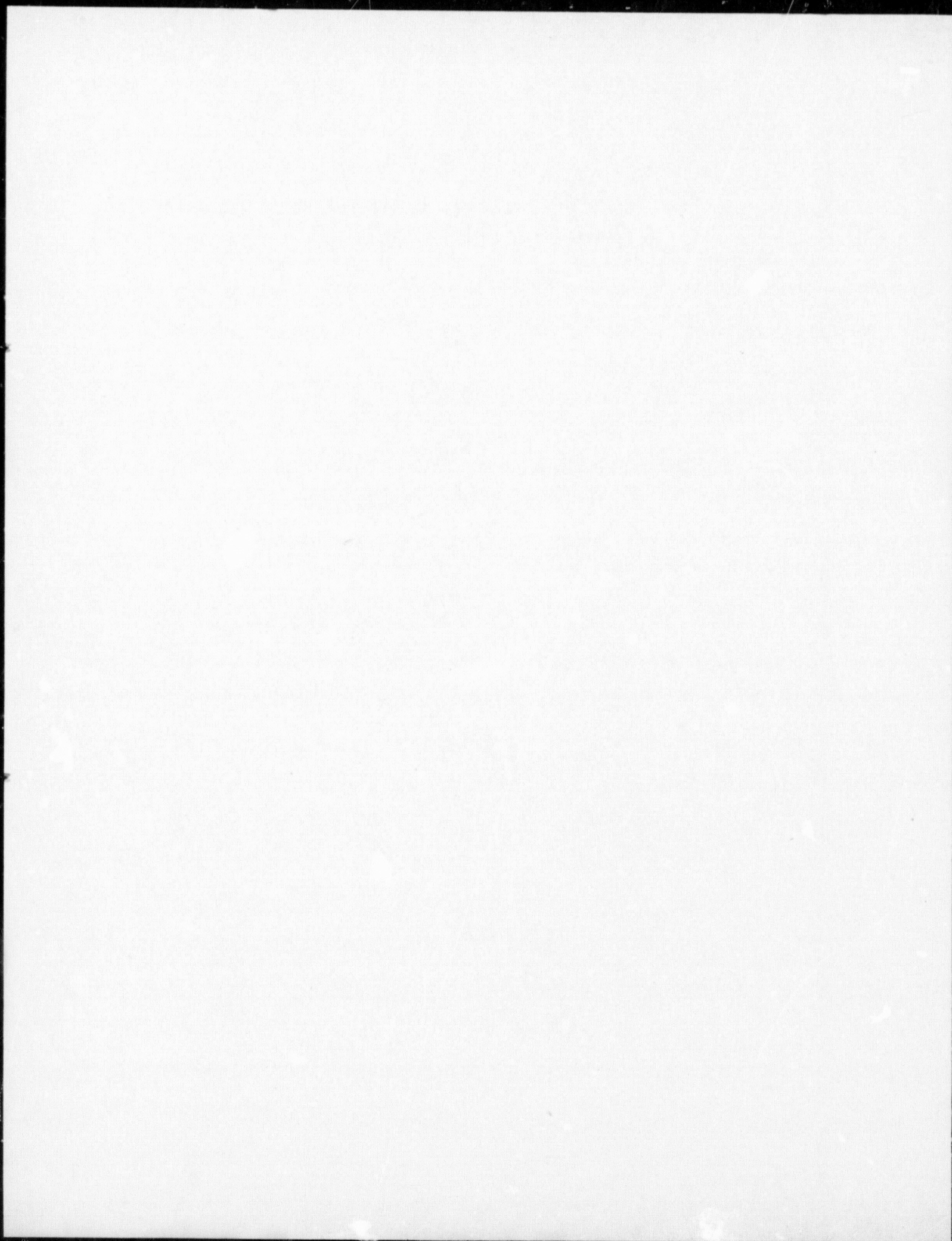
We acknowledge receipt of your notice of Class Action dated May 16, 1978 requesting that we mail to all holders of record of

FRANKLIN N.Y. CORP.

for the period 7/16/73 to 5/16/74 the notice enclosed with your request. We have no objection to assisting you in this matter, however, I am sure you are aware that we incur various costs as outlined below. We, therefore, require your agreement to make the following payments:

1. An hourly charge of \$5.00 per hour based on the time spent by our employees searching the records. It is necessary that we review the daily stock record to determine every purchase made for the required time period. Having obtained the account numbers, we then secure the name and address of the customer. As this may involve numerous man-hours, dependent upon the number of trades, we cannot estimate the total time which will be expended.
2. The cost of reproducing your notice. If you will furnish us sufficient copies, with mailing envelopes, based upon our determination of the number of clients, there will be no reproduction costs.





Milberg, Weiss

=Page 2=

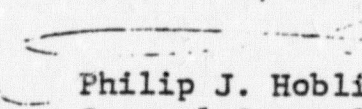
May 30, 1978

3. Actual costs of mailing per item, based upon the total number of customers.

If you agree to make payment, we will promptly complete the search and notify you of the total cost involved. Upon receipt of your check, the notice will be mailed to the customer. We will also agree to maintain the customer list for a period of one (1) year. If future mailings are necessary, we will only require reimbursement for out-of-pocket expenses. After one (1) year, unless specifically requested, the record will be destroyed.

If you have any questions, please contact the undersigned.

Very truly yours,

  
Philip J. Hoblin, Jr.  
General Counsel

PJH:map

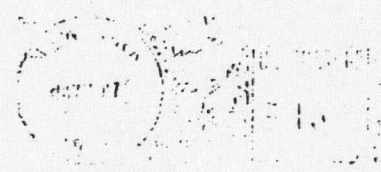
cc: Messrs: Walter Lamb  
Kevin Sutherland



SA 80

Shearson Hayden Stone Inc  
80 Pine Street  
New York N Y 10005

*Handwritten signature*



Milberg, Weiss, Bershad & Spectrie  
One Pennsylvania Plaza  
New York, New York 10001



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NEW YORK, N. Y. 10005

SA 81 *350*

May 26, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001

Re: Gold et al. vs.  
Ernst & Ernst, et al.  
Docket No. 75-C-684

Gentlemen:

We acknowledge receipt of your letter dated May 16, 1978 concerning the above mentioned litigation.

We are this day instructing our operational staff to search our stock records for all trades done in Franklin New York Corp. Securities for the period from July 16, 1973 through May 16, 1974.

It is difficult at this time to determine how long this project will take because of the fact that we do not know how much activity actually occurred until the search is completed.

Therefore it may be in your best interest as well as ours if we sent the notice of pendency of class action to our clients directly, once their identity is known.

Upon completion of this project we will forward to you a statement of our expenses for the search and mailing of the class action material to the affected clients.

Very truly yours,

*Michael J. Glasca*  
Michael J. Glasca  
Compliance Department

MJC:ktb

13

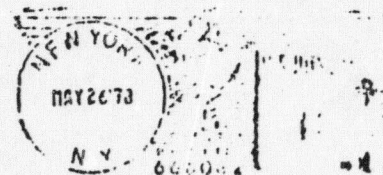




SA 82

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After 5 days, return to  
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Wall Street Station  
New York, N. Y. 10005



Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001



Kidder, Peabody & Co.  
Incorporated

Michael J. Ciasca (212) 747-2012

75 copies

6/7/78

Mr. Aaron,

Here is copy of  
our letter dated 5/16/78  
as per your request.

Regards,  
MJC

10 Hanover Square, New York, N.Y. 10005

## Kidder, Peabody &amp; Co.

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May 26, 1978

Milberg Weiss Bershad & Specthrie  
One Pennsylvania Plaza  
New York, New York 10001Re: Gold et al. vs.  
Ernst & Ernst, et al.  
Docket No. 75-C-684

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Very truly yours,

Michael J. Ciasca  
Compliance Department

MJC:kth

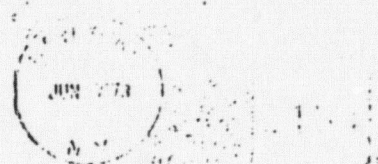
*Mitchell  
Arora*

594 5311



SA 85

After 5 days, return to  
Kludger, Peabody & Co.  
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P. O. Box 94,  
Wall Street Station  
New York, N. Y. 10005



Melberg Louis Bershad & Specinsie  
One Pennsylvania Plaza

New York; N.Y. 10001

Attention

Not 1.0 P.m.

STATE OF NEW YORK )  
                                ss.:  
COUNTY OF NEW YORK )

PATRICIA K. COLE, being duly sworn, deposes and says that she is in the employ of Milberg Weiss Bershad & Specthrie, attorneys for the within Plaintiffs herein, and is over the age of 21 years. That on the 1st day of March, 1979, she served the within SUPPLEMENTAL APPENDIX OF PLAINTIFFS-APPELLANTS upon the attorneys for the respective parties named below, by depositing a true copy of the same to each of them, securely enclosed in postpaid wrappers in a post office box regularly maintained by the United States Government at One Pennsylvania Plaza, New York, New York, directed to each of them at their respective addresses set forth below, those being the addresses within the State designated by them for that purpose on the preceding papers in this action, or the places where they then kept their respective offices between which places there then was and now is a regular communication by mail:

SEE ATTACHED LIST

*Patricia K. Cole*  
Patricia K. Cole

Sworn to before me this  
1st day of March, 1979.

Patricia M. Lafferty  
Notary Public

PATRICIA E. McLAFFERTY  
Notary Public, State of New York  
No. 24-4656527  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires March 30, 1999



Barbara A. Lee, Esq.  
Poletti Freidin Prashker Feldman & Gartner  
Attorneys for Howard Crosse  
1185 Avenue of the Americas  
New York, New York 10036

Daniel F. Kolb, Esq.  
Davis Polk & Wardwell  
Attorneys for Ernst & Ernst  
One Chase Manhattan Plaza  
New York, New York 10005

Robert Meyers, Esq.  
Dewey Ballantine Bushby Palmer & Wood  
Attorneys for Lewis, Merkin and Smith  
140 Broadway  
New York, New York 10005

David Fleischer, Esq.  
Battle Fowler Lidstone Jaffin Pierce & Kheel  
Attorneys for Paul Luftig  
280 Park Avenue  
New York, New York 10017

John Kirby, Esq.  
Mudge Rose Guthrie & Alexander  
Attorneys for Michele Sindona  
20 Broad Street  
New York, New York 10005

Gerard A. Imperato, Esq.  
Attorney for Robert C. Panepinto  
1501 Avenue "U"  
Brooklyn, New York 11229

Barton Blumberg, Esq.  
Difalco, Field & O'Rourke  
Attorneys for Carlo Bordoni  
605 Third Avenue  
New York, New York 10017

Steven Pesner, Esq.  
Anderson Russell Kill & Olick, P.C.  
Attorneys for Peter R. Shaddick  
630 Fifth Avenue  
New York, New York 10017

Stanley Arkin, Esq.  
Arkin Arisohn & Cross, P.C.  
Attorneys for Harold Gleason  
600 Third Avenue  
New York, New York 10016

William E. Kelly, Esq.  
Casey Lane & Mittendorf  
Attorneys for Federal Deposit  
Insurance Corp.  
One Chase Manhattan Plaza  
New York, New York 10005



Richard Rubin, Esq.  
Rubin Baum Levin Constant & Freidman  
Attorneys for John Sadlik  
615 Fifth Avenue  
New York, New York 10022

Paul Crotty, Esq.  
Donovan Leisure Newton & Irvine  
Attorneys for Harry Barrand, Jr.  
30 Rockefeller Plaza  
New York, New York 10020

Robert Stein, Esq.  
Stroock & Stroock & Lavan  
Attorneys for Amici Curiae  
61 Broadway  
New York, New York

William Purcell, Esq.  
Barrett Smith Shapiro & Simon  
Attorneys for Intervenor- Defendant  
Sol Neil Corbin  
26 Broadway  
New York, New York 10005

Joan Bernott, Esq.  
Torts Section, Civil Division  
United States Department of Justice  
521 12th Street, N.W.  
Washington, D.C. 20530